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# MEDICAID MEMO

**TO:** Virginia Medicaid Participating Health Care Providers and  
Managed Care Organizations

**FROM:** Patrick W. Finnerty, Director  
Department of Medical Assistance Services (DMAS)

**MEMO** Special  
**DATE** 6/16/2006

**SUBJECT:** National Provider Identifier (NPI) Implementation Plans  
For the Virginia Medicaid Program: Health Care Providers

The purpose of this Medicaid Memorandum is to inform providers of the Department of Medical Assistance Services (DMAS) National Provider Identifier (NPI) implementation plans. This memorandum is the second in a series of Medicaid Memoranda regarding the NPI. On February 27, 2006, DMAS released its first NPI Medicaid Memorandum informing our providers of the new Federal mandate resulting from the Health Insurance Portability and Accountability Act (HIPAA), which requires all covered health care providers to obtain and use an NPI in lieu of any other provider identification number(s) for all standard transactions. The implementation of the NPI will eliminate the need for health care providers to use different identification numbers when conducting standard transactions with all health plans. Many health plans, including Medicare, private health insurance issuers, and all health care clearinghouses must accept and begin using NPIs in standard transactions no later than May 23, 2007.

After the compliance date of May 23, 2007, your Medicaid provider identification number(s) will no longer be accepted to conduct Virginia Medicaid business transactions. Virginia Medicaid business transactions include the submission of claims, calls to the Provider Call Center, calls to the automated voice response system for eligibility and claims status (MediCall), inquiries to the web-based automated response system; and any other transactions with the Agency for which you now use your Medicaid identification number to conduct business.

If you have not already done so, please apply for your NPI now. You may do so by contacting the National Plan and Provider Enumeration System (NPPES) at 1-800-465-3203 or online at <https://nppes.cms.hhs.gov>.

**Provider Network NPI Re-Enrollment: June —December 2006**

You have been identified as a covered health care provider. In order to continue your participation in the Virginia Medicaid Program beginning on the compliance date of May 23, 2007, you must have your NPI. Medicaid health care providers that do not obtain their NPI will not have a mechanism to receive payment for services rendered subsequent to the compliance date, or to conduct business transactions with the Virginia Medicaid Program through the normal mechanisms. All participating Virginia Medicaid providers will be asked to supply their NPI to DMAS through an NPI re-enrollment packet, which will be sent to you or your group's administrator, via the United States Postal Service between the months of June and December 2006.

In order to meet this Federal mandate of May 23, 2007, DMAS must prepare its provider file and Medicaid Management Information System (MMIS) well in advance. The NPI re-enrollment process will allow you the opportunity to provide DMAS with your NPI so that it can be mapped to your existing Medicaid provider identification number(s). To reduce the administrative burden of completing the NPI re-enrollment process, most re-enrollment documents will be pre-printed with your existing Medicaid provider identification number information (name, address, phone, etc). You will not be required to re-submit licensure documentation that is already on file with the Virginia Medicaid Program.

As part of DMAS' NPI implementation strategy, we will implement group practice enrollment and group billing functionality. Each group practice must obtain an NPI and enroll itself as a group provider in the Virginia Medicaid Program during the NPI re-enrollment process. A group practice consists of fee-for-service practitioners that share the same tax identification number. If you are a member of a group practice, your re-enrollment packet will be sent to your group's administrative office. Your group practice administrator will be responsible for sharing your NPI with DMAS. Each group member's individual NPI will be affiliated with the group practice NPI and members of the group will be required to re-assign their Medicaid benefits to their group practice. If you are a member of a group practice, further instructions will be provided to your group practice administrator via the NPI re-enrollment packet in the coming months.

Participating providers that are not considered a group practice (independent practitioners, facilities, and all other organizations) will also be contacted individually so that DMAS can obtain their NPI and the NPIs of any subparts of their organization, if applicable.

**New Billing Forms and the Dual Use of Medicaid Identification Numbers and NPIs**

New versions of the CMS-1500, UB-04, DMAS-30 (Title XVIII Medicare Deductible and Coinsurance Invoice) and DMAS-31 (Title XVIII Medicare Deductible and Coinsurance Invoice Adjustment) forms will be required for the 10-digit NPI. DMAS plans to use the following national schedule for implementation:

- Phase 1: Until January 2007, DMAS will continue to use only the Medicaid provider identification number in processing claims and issuing prior authorizations.
- Phase 2: January 2007 (*the specific day to be communicated at a later date*) through May 22, 2007, DMAS will allow dual use of either the Medicaid provider identification number or the NPI. During this phase, if the NPI is submitted, claims will be processed utilizing the submitted NPI even if the Medicaid identification number is also indicated on the claim. Should you submit an electronic 837 claim transaction that includes your NPI, and you are receiving an electronic 835 remittance advice, your remittance will be generated utilizing the NPI on your claim.
- Phase 3: Beginning, May 23, 2007, DMAS will accept only claims having an NPI. After May 22, 2007, DMAS will accept the Medicaid provider number only from providers who have not been able to obtain an NPI and the date(s) of service on the claim is prior to May 23, 2007.

DMAS will be following the phase-in approach for the new version of the CMS-1500 and the UB-04 paper forms that allow for NPI usage, contingent upon approval of these forms by the national standards committees. NPIs will not be allowed on older versions of the forms. The phase-in for each of these paper billing forms is:

**CMS-1500 (08-05)**

- Phase 1: October 1, 2006 through January 31, 2007, either the old CMS-1500 (*12-90*), or the new version of the form will be accepted with either an NPI or Legacy identifier.
- Phase 2: February 1, 2007 – May 22, 2007 only the new CMS 1500- (*08-05*) form will be accepted using either an NPI or Legacy identifier.
- Phase 3: Beginning, May 23, 2007 only an NPI can be used on the form.

**UB-04:**

- Phase 1: March 1, 2007 through May 22, 2007, either the UB-92 or the UB-04 will be accepted. An NPI or Legacy identifier can be used.
- Phase 2: May 23, 2007 and thereafter, only the new version UB-04 will be accepted and only an NPI can be used.

DMAS will provide information on changes that are going to be necessary for our business needs for specific locator codes related to these forms in future billing updates and instructions. We will also provide additional communications via Medicaid Memoranda leading up to an NPI pass-through date when the NPI may be sent on transactions but processing will remain under the Medicaid Provider identification number.

In order to ensure no lapse in your ability to submit claims, you are encouraged to obtain your NPI now and complete your re-enrollment as soon as your packet arrives. Please remember that effective May 23, 2007 only an NPI can be used to process claims. Visit our website for frequent updates and details on the transition plan to NPI. ([www.dmas.virginia.gov](http://www.dmas.virginia.gov) ).

It is DMAS' intention to make sure that this transition and implementation are deliberate, thorough and as efficient as possible for our Medicaid providers. DMAS will communicate to providers what will be required of them and will work to reduce as much as possible any burden this federal requirement places on any provider's ability to participate with Virginia Medicaid.

DMAS has established a special email address for providers to submit questions related to the Virginia Medicaid NPI implementation plan. Please send any questions or problems to the following email address: [NPI@dmas.virginia.gov](mailto:NPI@dmas.virginia.gov).

### **“HELPLINE”**

The “HELPLINE” is available to answer questions Monday through Friday from 8:30 a.m. to 4:30 p.m., except on state holidays. The “HELPLINE” numbers are:

1(804) 786-6273	Richmond area and out-of-state long distance
1(800) 552-8627	All other areas (in-state, toll-free long distance)

Please remember that the “HELPLINE” is for provider use only. Please have your Medicaid Provider Identification Number available when you call.